



New York State Public Integrity Reform Act

Frequently Asked Questions - Reportable Business Relationships

What is a Reportable Business Relationship ("RBR")?

An arrangement whereby a lobbyist or a client of a lobbyist provides Compensation to (i) a State Person; (ii) an entity in which the State Person is a proprietor, partner, director, officer, or manager, or owns or controls 10 percent or more of the stock of that entity (or one percent in the case of a corporation with stock regularly traded on an established stock exchange); or (iii) a third-party as directed by the State Person or as directed by the entity. (These roles and positions are referred to as the "**Requisite Involvement.**")

This Compensation must be in exchange for goods, services, or anything of value either performed or provided or intended to be performed or provided by the State Person or an entity in which the State Person has the Requisite Involvement.

Note: An RBR does **not** exist, and therefore does not need to be reported, when a State Person (or an entity in which a State Person has the Requisite Involvement) provides compensation to a lobbyist or client of a lobbyist.

How do I report an RBR?

A separate PDF form for each RBR is available on the Commission's website. If you utilize the Commission's online filing system and are required to disclose an RBR, a PDF Lobbyist Biennial Registration Form or PDF Client Semi-Annual Report must be submitted. For those clients who do not file online, the entire PDF Lobbyist Biennial Registration Form or PDF Client Semi-Annual Report forms is required to be completed, with a completed RBR form attached (if applicable).

Do I need to complete an RBR form if I do not have a Reportable Business Relationship?

No. The RBR form only needs to be completed if a new or amended relationship is to be reported.

Who is a State Person?

A Statewide elected official, State officer, State employee, member of the legislature, or legislative employee.

What is the reporting period?

The reporting period is any 12 consecutive months in which more than \$1,000 in goods, services, or anything of value is performed or provided by a State Person or an entity in which a State Person has the Requisite Involvement. An RBR exists if during the reporting period (biennial for lobbyists, semiannual for clients) if any of the following is present during that period: (i) Compensation is paid; (ii) goods, services, or anything of value are performed or provided; or (iii) the relationship is in existence, even if Compensation has not yet been paid and goods, services, or anything of value have not yet been performed or provided.

What is included in Compensation?

Compensation includes a salary, fee, gift, payment, benefit, loan, advance, or any other thing of value.

Compensation does *not* include: (1) Commercially available consumer and business loans or lines of credit as available to the general public; (2) Dividends or payments related to stock purchases; or (3) Contributions reportable under Article 14 of the NYS Election Law.

If an RBR exists, what needs to be reported?

The name and public office address of the State Person, a description of the general subjects or transactions between a lobbyist and the State Person, and the Compensation, actual or anticipated, including expenses, to be paid and paid by virtue of the business relationship.

When are contributions aggregated?

If a lobbyist or client has multiple relationships with the same State Person or the same entity in which a State Person has the Requisite Involvement, the value of goods, services, or anything of value of all such relationships must be aggregated. If the aggregated value of the relationships is more than \$1,000 for any 12-month period, then each such relationship is a Reportable Business Relationship (assuming the other criteria have been satisfied).

Is the creation of or amendment to an RBR considered to be a material change requiring the submission of an RBR form?

Yes. Both new RBRs and changes to an existing RBR (such as modifications to the monetary value of the relationship or the length of the relationship) are considered to be material changes requiring the submission of an RBR form.

A trade association is a client of a registered lobbyist. Does the trade association need to disclose the RBRs of its directors and executive managers?

Yes. In the Reportable Business Relationship Guidelines ("Guidelines"), the definition of Client includes the directors and executive management of the organization. As a result, all RBRs between a director or executive manager with a State Person must be disclosed.

A trade association is a client of a registered lobbyist. The president of the association, who is a salaried employee of the association, has recently been appointed to serve on a State commission in an uncompensated position. Must the trade association now disclose its relationship with its employee, and the employee's salary, as an RBR? (Revised 1/14/2013)

No. Because the association president was appointed to an uncompensated position, he/she is not a State Person for the purposes of RBR disclosure.

A trade association has 100 members on its board of directors. Does it need to disclose RBRs for all board members?

Yes. Every board member's RBR with a State Person, as that term is defined in the Guidelines, that involves Compensation more than \$1,000 during any consecutive 12 months must be reported.

A member of a client trade association's board of directors is a State Person and is paid by the association for his work on the board. Is this an RBR?

Yes. The salary paid to the board member by the trade association would be considered Compensation, as that term is defined in the Guidelines and must be reported.

Does an RBR exist when a trade association's board member buys a product or service at market rates from a company owned by a State Person?

Yes. Even though the product or service was purchased at market rates, this is an RBR. The "commercially available/market rate" exception to Compensation covers only a limited range of products: consumer and business loans and lines of credit.

Does an RBR exist when a trade association's board member employs a law firm in which a State legislator is a partner, but the retainer is not with the legislator?

Yes. If the lobbyist or client has reason to know that the State legislator has a Requisite Involvement in the law firm, an RBR has been created.

To what extent is the board member of a trade association required to investigate the business relationships it has with outside firms?

The test is whether a reasonable person looking at all the facts and circumstances would conclude that the board member should know that an individual is a State Person or has a Requisite Involvement with the relevant entity. There is no absolute requirement to investigate in order for the reason to know standard to be satisfied.

The statutory requirement for reporting RBRs became effective on August 11, 2011 and there is a statutory duty to amend a registration statement when there is a material change. Is the existence, creation, or amendment of an RBR considered to be a material change for which an amendment needs to be filed?

Yes, the existence, creation, or amendment of an RBR is considered to be a material change to a lobbyist's biennial registration. Therefore, all registered lobbyists who have had an RBR with a State Person since August 11, 2011 must amend their biennial registration immediately to report such RBR(s).

A known State Person owns an apartment building and advertises the availability of units in a local newspaper. The State Person rents an apartment to a client on the same lease terms as any other tenant, including the amount of rent and the term of the lease. Is this an RBR?

Yes. Even though the lease is made commercially available and the rent is at market rates, this is an RBR. The "commercially available/market rate" exception to Compensation covers only a limited range of products: consumer and business loans and lines of credit.

If a lobbyist or client compensates a State Person as a speaker on the same terms as it would a member of the general public, has an RBR been created?

Yes. Even though the speaker was paid at "market rates," this is an RBR. The "commercially available/market rate" exception to Compensation covers only a limited range of products: consumer and business loans and lines of credit.

Do business relationships with state or local judges or with county legislators need to be disclosed under the Guidelines?

No, only reportable business relationships with a State Person must be disclosed. State Person, as defined in both the Lobbying Act and the Guidelines include: Statewide elected officials, State officers, State employees, Members of the Legislature, and Legislative Employees.

Is a gift by a lobbyist or client to a State Person that is not in exchange for goods, services, or anything of value considered to be an RBR?

No. In order for an RBR to be created, the goods, services, or anything of value provided by the lobbyist or client must be in exchange for goods, services, or anything of value either performed or provided or intended to be performed or provided by the State Person or an entity in which the State Person has the Requisite Involvement. However, a gift analysis under the Interim Guidance on Gifts must be performed to determine whether the gift is permissible.

Does a 501(c)(3) organization that is a lobbyist or a client need to report on the RBRs for all employees, including those who do not perform any lobbying activities?

There is no exemption for 501(c)(3) organizations from the RBR disclosure requirements. Therefore, all RBRs involving the organization's directors or executive management must be disclosed.

On the Lobbyist Registration Statement, there is one Principal Lobbyist listed and four Additional Lobbyists listed. Who is required to disclose RBRs?

All individuals (including additional lobbyists) identified on the Registration Form are required to disclose RBRs. In addition, if the lobbyist is a firm and the firm itself has a business relationship with a State Person or an entity in which the State Person has the Requisite Involvement, then that RBR must also be disclosed. When using the Lobbyist Business Relationship Form, if the RBR is with an individual listed as a Additional Lobbyist in the Registration Statement, a filer should identify the Principle Lobbyist in Section II of the Form and then identify the appropriate individual where the form indicates "Last Name" and "First Name."